

AMENDED IN SENATE JUNE 26, 2014

AMENDED IN SENATE JUNE 17, 2014

AMENDED IN ASSEMBLY MAY 5, 2014

AMENDED IN ASSEMBLY APRIL 22, 2014

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2222

Introduced by Assembly Member Nazarian

February 20, 2014

An act to amend Sections 65915 and 65915.5 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2222, as amended, Nazarian. Housing density bonus.

The Planning and Zoning Law requires, when a developer of housing proposes a housing development within the jurisdiction of the local government, that the city, county, or city and county provide the developer with a density bonus and other incentives or concessions for the production of lower income housing units or the donation of land within the development if the developer, among other things, agrees to construct a specified percentage of units for very low, low-, or moderate-income households or qualifying residents.

Existing law requires continued affordability for 30 years or longer, as specified, of all very low and low-income units that qualified an applicant for a density bonus.

This bill instead would require continued affordability for 55 years or longer, as specified, of all very low and low-income rental units that qualified an applicant for a density bonus. This bill would also include very low and low-income persons among the initial occupants of for-sale units. This bill also would prohibit an applicant from receiving a density bonus unless the proposed housing development would, for units subject to certain affordability requirements that were occupied by qualifying persons on the date of application, provide at least the same number of units of equivalent size or type, or both, to be made available for rent at affordable housing costs to, and occupied by, persons and families in the same or lower income category as those households in occupancy. For those subject types of units that have been vacated or demolished at the time of application, ~~this application~~, this bill would condition a density bonus upon at least the same number of units of equivalent size or type, or both, as existed at the highpoint in the preceding 5 years being made available for rent at affordable housing costs to, and occupied by, persons and families in the same or lower income category as those persons and families in occupancy at that time, if known.

Existing law also requires a city, county, or city and county to grant a density bonus or other incentives, as specified, when an applicant for approval to convert apartments to a condominium project agrees, among other things, to provide a specified percentage of units for low- or moderate-income persons and families or for lower income households, as defined.

This bill also would prohibit an applicant from receiving a density bonus unless the proposed condominium project would replace the existing affordable units with at least the same number of affordable units of equivalent size or type, or both, and the proposed development would either include the additional required set aside of affordable units according to specified percentages or consist entirely of affordable units.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 65915 of the Government Code is
- 2 amended to read:
- 3 65915. (a) When an applicant seeks a density bonus for a
- 4 housing development within, or for the donation of land for housing

1 within, the jurisdiction of a city, county, or city and county, that
2 local government shall provide the applicant with incentives or
3 concessions for the production of housing units and child care
4 facilities as prescribed in this section. All cities, counties, or cities
5 and counties shall adopt an ordinance that specifies how
6 compliance with this section will be implemented. Failure to adopt
7 an ordinance shall not relieve a city, county, or city and county
8 from complying with this section.

9 (b) (1) A city, county, or city and county shall grant one density
10 bonus, the amount of which shall be as specified in subdivision
11 (f), and incentives or concessions, as described in subdivision (d),
12 when an applicant for a housing development seeks and agrees to
13 construct a housing development, excluding any units permitted
14 by the density bonus awarded pursuant to this section, that will
15 contain at least any one of the following:

16 (A) Ten percent of the total units of a housing development for
17 lower income households, as defined in Section 50079.5 of the
18 Health and Safety Code.

19 (B) Five percent of the total units of a housing development for
20 very low income households, as defined in Section 50105 of the
21 Health and Safety Code.

22 (C) A senior citizen housing development, as defined in Sections
23 51.3 and 51.12 of the Civil Code, or mobilehome park that limits
24 residency based on age requirements for housing for older persons
25 pursuant to Section 798.76 or 799.5 of the Civil Code.

26 (D) Ten percent of the total dwelling units in a common interest
27 development as defined in Section 4100 of the Civil Code for
28 persons and families of moderate income, as defined in Section
29 50093 of the Health and Safety Code, provided that all units in the
30 development are offered to the public for purchase.

31 (2) For purposes of calculating the amount of the density bonus
32 pursuant to subdivision (f), the applicant who requests a density
33 bonus pursuant to this subdivision shall elect whether the bonus
34 shall be awarded on the basis of subparagraph (A), (B), (C), or (D)
35 of paragraph (1).

36 (3) For the purposes of this section, “total units” or “total
37 dwelling units” does not include units added by a density bonus
38 awarded pursuant to this section or any local law granting a greater
39 density bonus.

(c) (1) An applicant shall agree to, and the city, county, or city and county shall ensure, continued affordability of all very low and low-income rental units that qualified the applicant for the award of the density bonus for 55 years or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program. Rents for the lower income density bonus units shall be set at an affordable rent as defined in Section 50053 of the Health and Safety Code.

(2) An applicant shall agree to, and the city, county, or city and county shall ensure that, the initial occupant of all for-sale units that qualified the applicant for the award of the density bonus are persons and families of very low, low, or moderate income, as required, and that the units are offered at an affordable housing cost, as that cost is defined in Section 50052.5 of the Health and Safety Code. The local government shall enforce an equity sharing agreement, unless it is in conflict with the requirements of another public funding source or law. The following apply to the equity sharing agreement:

(A) Upon resale, the seller of the unit shall retain the value of any improvements, the downpayment, and the seller's proportionate share of appreciation. The local government shall recapture any initial subsidy, as defined in subparagraph (B), and its proportionate share of appreciation, as defined in subparagraph (C), which amount shall be used within five years for any of the purposes described in subdivision (e) of Section 33334.2 of the Health and Safety Code that promote home ownership.

(B) For purposes of this subdivision, the local government's initial subsidy shall be equal to the fair market value of the home at the time of initial sale minus the initial sale price to the moderate-income household, plus the amount of any downpayment assistance or mortgage assistance. If upon resale the market value is lower than the initial market value, then the value at the time of the resale shall be used as the initial market value.

(C) For purposes of this subdivision, the local government's proportionate share of appreciation shall be equal to the ratio of the local government's initial subsidy to the fair market value of the home at the time of initial sale.

(3) (A) An applicant shall be ineligible for a density bonus or any other incentives or concessions under this section if the housing

1 development is proposed on any property that includes a parcel or
2 parcels on which rental dwelling units are or, if the dwelling units
3 have been vacated or demolished in the five-year period preceding
4 the application, have been subject to a recorded covenant,
5 ordinance, or law that restricts rents to levels affordable to persons
6 and families of lower or very low income; subject to any other
7 form of rent or price control through a public entity's valid exercise
8 of its police power; or occupied by lower or very low income
9 households, unless the proposed housing development replaces
10 those units, and either of the following applies:

11 (i) The proposed housing development includes the additional
12 required set aside of affordable units at the percentages set forth
13 in subdivision (b).

14 (ii) Each unit in the ~~development~~ *development, exclusive of a*
15 *manager's unit or units*, is affordable to, and occupied by, either
16 a lower or very low income household.

17 (B) For the purposes of this paragraph, "replace" shall mean
18 either of the following:

19 (i) If any dwelling units described in subparagraph (A) are
20 occupied on the date of application, the proposed housing
21 development shall provide at least the same number of units of
22 equivalent size or type, or both, to be made available for rent at
23 affordable housing costs to, and occupied by, persons and families
24 in the same or lower income category as those households in
25 occupancy. For unoccupied dwelling units described in ~~this~~
26 ~~paragraph~~ *subparagraph (A)* in a development with occupied units,
27 the proposed housing development shall provide units of equivalent
28 size or type, or both, to be made available for rent at affordable
29 housing costs to, and occupied by, persons and families in the same
30 or lower income category in the same proportion of affordability
31 as the occupied units. All replacement calculations resulting in
32 fractional units shall be rounded up to the next whole number.
33 These units shall be subject to a recorded affordability restriction
34 for at least 55 years.

35 (ii) If all dwelling units described in subparagraph (A) have
36 been vacated or demolished within the five-year period preceding
37 the application, the proposed housing development shall provide
38 at least the same number of units of equivalent size or type, or
39 both, as existed at the highpoint of those units in the five-year
40 period preceding the application to be made available for rent at

1 affordable housing costs to, and occupied by, persons and families
2 in the same or lower income category as those persons and families
3 in occupancy at that time, if known. If the incomes of the persons
4 and families in occupancy at the highpoint is not known, then
5 one-half of the required units shall be made available for rent at
6 affordable housing costs to, and occupied by, very low income
7 persons and families and one-half of the required units shall be
8 made available for rent at affordable housing costs to, and occupied
9 by, low-income persons and families. *All replacement calculations*
10 *resulting in fractional units shall be rounded up to the next whole*
11 *number.* These units shall be subject to a recorded affordability
12 restriction for at least 55 years.

13 (d) (1) An applicant for a density bonus pursuant to subdivision
14 (b) may submit to a city, county, or city and county a proposal for
15 the specific incentives or concessions that the applicant requests
16 pursuant to this section, and may request a meeting with the city,
17 county, or city and county. The city, county, or city and county
18 shall grant the concession or incentive requested by the applicant
19 unless the city, county, or city and county makes a written finding,
20 based upon substantial evidence, of any of the following:

21 (A) The concession or incentive is not required in order to
22 provide for affordable housing costs, as defined in Section 50052.5
23 of the Health and Safety Code, or for rents for the targeted units
24 to be set as specified in subdivision (c).

25 (B) The concession or incentive would have a specific adverse
26 impact, as defined in paragraph (2) of subdivision (d) of Section
27 65589.5, upon public health and safety or the physical environment
28 or on any real property that is listed in the California Register of
29 Historical Resources and for which there is no feasible method to
30 satisfactorily mitigate or avoid the specific adverse impact without
31 rendering the development unaffordable to low- and
32 moderate-income households.

33 (C) The concession or incentive would be contrary to state or
34 federal law.

35 (2) The applicant shall receive the following number of
36 incentives or concessions:

37 (A) One incentive or concession for projects that include at least
38 10 percent of the total units for lower income households, at least
39 5 percent for very low income households, or at least 10 percent

1 for persons and families of moderate income in a common interest
2 development.

3 (B) Two incentives or concessions for projects that include at
4 least 20 percent of the total units for lower income households, at
5 least 10 percent for very low income households, or at least 20
6 percent for persons and families of moderate income in a common
7 interest development.

8 (C) Three incentives or concessions for projects that include at
9 least 30 percent of the total units for lower income households, at
10 least 15 percent for very low income households, or at least 30
11 percent for persons and families of moderate income in a common
12 interest development.

13 (3) The applicant may initiate judicial proceedings if the city,
14 county, or city and county refuses to grant a requested density
15 bonus, incentive, or concession. If a court finds that the refusal to
16 grant a requested density bonus, incentive, or concession is in
17 violation of this section, the court shall award the plaintiff
18 reasonable attorney's fees and costs of suit. Nothing in this
19 subdivision shall be interpreted to require a local government to
20 grant an incentive or concession that has a specific, adverse impact,
21 as defined in paragraph (2) of subdivision (d) of Section 65589.5,
22 upon health, safety, or the physical environment, and for which
23 there is no feasible method to satisfactorily mitigate or avoid the
24 specific adverse impact. Nothing in this subdivision shall be
25 interpreted to require a local government to grant an incentive or
26 concession that would have an adverse impact on any real property
27 that is listed in the California Register of Historical Resources.
28 The city, county, or city and county shall establish procedures for
29 carrying out this section, that shall include legislative body
30 approval of the means of compliance with this section.

31 (e) (1) In no case may a city, county, or city and county apply
32 any development standard that will have the effect of physically
33 precluding the construction of a development meeting the criteria
34 of subdivision (b) at the densities or with the concessions or
35 incentives permitted by this section. An applicant may submit to
36 a city, county, or city and county a proposal for the waiver or
37 reduction of development standards that will have the effect of
38 physically precluding the construction of a development meeting
39 the criteria of subdivision (b) at the densities or with the
40 concessions or incentives permitted under this section, and may

request a meeting with the city, county, or city and county. If a court finds that the refusal to grant a waiver or reduction of development standards is in violation of this section, the court shall award the plaintiff reasonable attorney's fees and costs of suit. Nothing in this subdivision shall be interpreted to require a local government to waive or reduce development standards if the waiver or reduction would have a specific, adverse impact, as defined in paragraph (2) of subdivision (d) of Section 65589.5, upon health, safety, or the physical environment, and for which there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact. Nothing in this subdivision shall be interpreted to require a local government to waive or reduce development standards that would have an adverse impact on any real property that is listed in the California Register of Historical Resources, or to grant any waiver or reduction that would be contrary to state or federal law.

(2) A proposal for the waiver or reduction of development standards pursuant to this subdivision shall neither reduce nor increase the number of incentives or concessions to which the applicant is entitled pursuant to subdivision (d).

(f) For the purposes of this chapter, "density bonus" means a density increase over the otherwise maximum allowable residential density as of the date of application by the applicant to the city, county, or city and county. The applicant may elect to accept a lesser percentage of density bonus. The amount of density bonus to which the applicant is entitled shall vary according to the amount by which the percentage of affordable housing units exceeds the percentage established in subdivision (b).

(1) For housing developments meeting the criteria of subparagraph (A) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Low-Income Units	Percentage Density Bonus
10	20
11	21.5
12	23
13	24.5
14	26
15	27.5

1	17	30.5
2	18	32
3	19	33.5
4	20	35

(2) For housing developments meeting the criteria of subparagraph (B) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Very Low Income Units	Percentage Density Bonus
5	20
6	22.5
7	25
8	27.5
9	30
10	32.5
11	35

(3) For housing developments meeting the criteria of subparagraph (C) of paragraph (1) of subdivision (b), the density bonus shall be 20 percent of the number of senior housing units.

(4) For housing developments meeting the criteria of subparagraph (D) of paragraph (1) of subdivision (b), the density bonus shall be calculated as follows:

Percentage Moderate-Income Units	Percentage Density Bonus
10	5
11	6
12	7
13	8
14	9
15	10
16	11
17	12
18	13
19	14
20	15
21	16
22	17
23	18

1	24	19
2	25	20
3	26	21
4	27	22
5	28	23
6	29	24
7	30	25
8	31	26
9	32	27
10	33	28
11	34	29
12	35	30
13	36	31
14	37	32
15	38	33
16	39	34
17	40	35

18
 19 (5) All density calculations resulting in fractional units shall be
 20 rounded up to the next whole number. The granting of a density
 21 bonus shall not be interpreted, in and of itself, to require a general
 22 plan amendment, local coastal plan amendment, zoning change,
 23 or other discretionary approval.

24 (g) (1) When an applicant for a tentative subdivision map,
 25 parcel map, or other residential development approval donates
 26 land to a city, county, or city and county in accordance with this
 27 subdivision, the applicant shall be entitled to a 15-percent increase
 28 above the otherwise maximum allowable residential density for
 29 the entire development, as follows:

30	Percentage Very Low Income	Percentage Density Bonus
31		
32	10	15
33	11	16
34	12	17
35	13	18
36	14	19
37	15	20
38	16	21
39	17	22
40	18	23

1	19	24
2	20	25
3	21	26
4	22	27
5	23	28
6	24	29
7	25	30
8	26	31
9	27	32
10	28	33
11	29	34
12	30	35

13

14 (2) This increase shall be in addition to any increase in density
15 mandated by subdivision (b), up to a maximum combined mandated
16 density increase of 35 percent if an applicant seeks an increase
17 pursuant to both this subdivision and subdivision (b). All density
18 calculations resulting in fractional units shall be rounded up to the
19 next whole number. Nothing in this subdivision shall be construed
20 to enlarge or diminish the authority of a city, county, or city and
21 county to require a developer to donate land as a condition of
22 development. An applicant shall be eligible for the increased
23 density bonus described in this subdivision if all of the following
24 conditions are met:

25 (A) The applicant donates and transfers the land no later than
26 the date of approval of the final subdivision map, parcel map, or
27 residential development application.

28 (B) The developable acreage and zoning classification of the
29 land being transferred are sufficient to permit construction of units
30 affordable to very low income households in an amount not less
31 than 10 percent of the number of residential units of the proposed
32 development.

33 (C) The transferred land is at least one acre in size or of
34 sufficient size to permit development of at least 40 units, has the
35 appropriate general plan designation, is appropriately zoned with
36 appropriate development standards for development at the density
37 described in paragraph (3) of subdivision (c) of Section 65583.2,
38 and is or will be served by adequate public facilities and
39 infrastructure.

(D) The transferred land shall have all of the permits and approvals, other than building permits, necessary for the development of the very low income housing units on the transferred land, not later than the date of approval of the final subdivision map, parcel map, or residential development application, except that the local government may subject the proposed development to subsequent design review to the extent authorized by subdivision (i) of Section 65583.2 if the design is not reviewed by the local government prior to the time of transfer.

(E) The transferred land and the affordable units shall be subject to a deed restriction ensuring continued affordability of the units consistent with paragraphs (1) and (2) of subdivision (c), which shall be recorded on the property at the time of the transfer.

(F) The land is transferred to the local agency or to a housing developer approved by the local agency. The local agency may require the applicant to identify and transfer the land to the developer.

(G) The transferred land shall be within the boundary of the proposed development or, if the local agency agrees, within one-quarter mile of the boundary of the proposed development.

(H) A proposed source of funding for the very low income units shall be identified not later than the date of approval of the final subdivision map, parcel map, or residential development application.

(h) (1) When an applicant proposes to construct a housing development that conforms to the requirements of subdivision (b) and includes a child care facility that will be located on the premises of, as part of, or adjacent to, the project, the city, county, or city and county shall grant either of the following:

(A) An additional density bonus that is an amount of square feet of residential space that is equal to or greater than the amount of square feet in the child care facility.

(B) An additional concession or incentive that contributes significantly to the economic feasibility of the construction of the child care facility.

(2) The city, county, or city and county shall require, as a condition of approving the housing development, that the following occur:

(A) The child care facility shall remain in operation for a period of time that is as long as or longer than the period of time during

1 which the density bonus units are required to remain affordable
2 pursuant to subdivision (c).

3 (B) Of the children who attend the child care facility, the
4 children of very low income households, lower income households,
5 or families of moderate income shall equal a percentage that is
6 equal to or greater than the percentage of dwelling units that are
7 required for very low income households, lower income
8 households, or families of moderate income pursuant to subdivision
9 (b).

10 (3) Notwithstanding any requirement of this subdivision, a city,
11 county, or city and county shall not be required to provide a density
12 bonus or concession for a child care facility if it finds, based upon
13 substantial evidence, that the community has adequate child care
14 facilities.

15 (4) “Child care facility,” as used in this section, means a child
16 day care facility other than a family day care home, including, but
17 not limited to, infant centers, preschools, extended day care
18 facilities, and schoolage child care centers.

19 (i) “Housing development,” as used in this section, means a
20 development project for five or more residential units. For the
21 purposes of this section, “housing development” also includes a
22 subdivision or common interest development, as defined in Section
23 4100 of the Civil Code, approved by a city, county, or city and
24 county and consists of residential units or unimproved residential
25 lots and either a project to substantially rehabilitate and convert
26 an existing commercial building to residential use or the substantial
27 rehabilitation of an existing multifamily dwelling, as defined in
28 subdivision (d) of Section 65863.4, where the result of the
29 rehabilitation would be a net increase in available residential units.
30 For the purpose of calculating a density bonus, the residential units
31 shall be on contiguous sites that are the subject of one development
32 application, but do not have to be based upon individual
33 subdivision maps or parcels. The density bonus shall be permitted
34 in geographic areas of the housing development other than the
35 areas where the units for the lower income households are located.

36 (j) (1) The granting of a concession or incentive shall not be
37 interpreted, in and of itself, to require a general plan amendment,
38 local coastal plan amendment, zoning change, or other discretionary
39 approval. This provision is declaratory of existing law.

1 (2) Except as provided in subdivisions (d) and (e), the granting
2 of a density bonus shall not be interpreted to require the waiver of
3 a local ordinance or provisions of a local ordinance unrelated to
4 development standards.

5 (k) For the purposes of this chapter, concession or incentive
6 means any of the following:

7 (1) A reduction in site development standards or a modification
8 of zoning code requirements or architectural design requirements
9 that exceed the minimum building standards approved by the
10 California Building Standards Commission as provided in Part 2.5
11 (commencing with Section 18901) of Division 13 of the Health
12 and Safety Code, including, but not limited to, a reduction in
13 setback and square footage requirements and in the ratio of
14 vehicular parking spaces that would otherwise be required that
15 results in identifiable, financially sufficient, and actual cost
16 reductions.

17 (2) Approval of mixed-use zoning in conjunction with the
18 housing project if commercial, office, industrial, or other land uses
19 will reduce the cost of the housing development and if the
20 commercial, office, industrial, or other land uses are compatible
21 with the housing project and the existing or planned development
22 in the area where the proposed housing project will be located.

23 (3) Other regulatory incentives or concessions proposed by the
24 developer or the city, county, or city and county that result in
25 identifiable, financially sufficient, and actual cost reductions.

26 (l) Subdivision (k) does not limit or require the provision of
27 direct financial incentives for the housing development, including
28 the provision of publicly owned land, by the city, county, or city
29 and county, or the waiver of fees or dedication requirements.

30 (m) This section shall not be construed to supersede or in any
31 way alter or lessen the effect or application of the California
32 Coastal Act of 1976 (Division 20 (commencing with Section
33 30000) of the Public Resources Code).

34 (n) If permitted by local ordinance, nothing in this section shall
35 be construed to prohibit a city, county, or city and county from
36 granting a density bonus greater than what is described in this
37 section for a development that meets the requirements of this
38 section or from granting a proportionately lower density bonus
39 than what is required by this section for developments that do not
40 meet the requirements of this section.

(o) For purposes of this section, the following definitions shall apply:

(1) “Development standard” includes a site or construction condition, including, but not limited to, a height limitation, a setback requirement, a floor area ratio, an onsite open-space requirement, or a parking ratio that applies to a residential development pursuant to any ordinance, general plan element, specific plan, charter, or other local condition, law, policy, resolution, or regulation.

(2) “Maximum allowable residential density” means the density allowed under the zoning ordinance and land use element of the general plan, or if a range of density is permitted, means the maximum allowable density for the specific zoning range and land use element of the general plan applicable to the project. Where the density allowed under the zoning ordinance is inconsistent with the density allowed under the land use element of the general plan, the general plan density shall prevail.

(p) (1) Upon the request of the developer, no city, county, or city and county shall require a vehicular parking ratio, inclusive of handicapped and guest parking, of a development meeting the criteria of subdivision (b), that exceeds the following ratios:

(A) Zero to one bedroom: one onsite parking space.

(B) Two to three bedrooms: two onsite parking spaces.

(C) Four and more bedrooms: two and one-half parking spaces.

(2) If the total number of parking spaces required for a development is other than a whole number, the number shall be rounded up to the next whole number. For purposes of this subdivision, a development may provide “onsite parking” through tandem parking or uncovered parking, but not through onstreet parking.

(3) This subdivision shall apply to a development that meets the requirements of subdivision (b) but only at the request of the applicant. An applicant may request parking incentives or concessions beyond those provided in this subdivision pursuant to subdivision (d).

SEC. 2. Section 65915.5 of the Government Code is amended to read:

65915.5. (a) When an applicant for approval to convert apartments to a condominium project agrees to provide at least 33 percent of the total units of the proposed condominium project to

1 persons and families of low or moderate income as defined in
2 Section 50093 of the Health and Safety Code, or 15 percent of the
3 total units of the proposed condominium project to lower income
4 households as defined in Section 50079.5 of the Health and Safety
5 Code, and agrees to pay for the reasonably necessary administrative
6 costs incurred by a city, county, or city and county pursuant to this
7 section, the city, county, or city and county shall either (1) grant
8 a density bonus or (2) provide other incentives of equivalent
9 financial value. A city, county, or city and county may place such
10 reasonable conditions on the granting of a density bonus or other
11 incentives of equivalent financial value as it finds appropriate,
12 including, but not limited to, conditions which assure continued
13 affordability of units to subsequent purchasers who are persons
14 and families of low and moderate income or lower income
15 households.

16 (b) For purposes of this section, “density bonus” means an
17 increase in units of 25 percent over the number of apartments, to
18 be provided within the existing structure or structures proposed
19 for conversion.

20 (c) For purposes of this section, “other incentives of equivalent
21 financial value” shall not be construed to require a city, county,
22 or city and county to provide cash transfer payments or other
23 monetary compensation but may include the reduction or waiver
24 of requirements which the city, county, or city and county might
25 otherwise apply as conditions of conversion approval.

26 (d) An applicant for approval to convert apartments to a
27 condominium project may submit to a city, county, or city and
28 county a preliminary proposal pursuant to this section prior to the
29 submittal of any formal requests for subdivision map approvals.
30 The city, county, or city and county shall, within 90 days of receipt
31 of a written proposal, notify the applicant in writing of the manner
32 in which it will comply with this section. The city, county, or city
33 and county shall establish procedures for carrying out this section,
34 which shall include legislative body approval of the means of
35 compliance with this section.

36 (e) Nothing in this section shall be construed to require a city,
37 county, or city and county to approve a proposal to convert
38 apartments to condominiums.

39 (f) An applicant shall be ineligible for a density bonus or other
40 incentives under this section if the apartments proposed for

1 conversion constitute a housing development for which a density
2 bonus or other incentives were provided under Section 65915.

3 (g) An applicant shall be ineligible for a density bonus or any
4 other incentives or concessions under this section if the
5 condominium project is proposed on any property that includes a
6 parcel or parcels on which rental dwelling units are or, if the
7 dwelling units have been vacated or demolished in the five-year
8 period preceding the application, have been subject to a recorded
9 covenant, ordinance, or law that restricts rents to levels affordable
10 to persons and families of lower or very low income; subject to
11 any other form of rent or price control through a public entity's
12 valid exercise of its police power; or occupied by lower or very
13 low income households, unless the proposed condominium project
14 replaces those units, as defined in subparagraph (B) of paragraph
15 (3) of subdivision (c) of Section 65915, and either of the following
16 applies:

17 (1) The proposed condominium project includes the additional
18 required set aside of affordable units at the percentages set forth
19 in subdivision (a).

20 (2) Each unit in the ~~development~~ *development, exclusive of a*
21 *manager's unit or units*, is affordable to, and occupied by, either
22 a lower or very low income household.